

# COMPARATIVE

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## CONNECTIONS

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US-JAPAN RELATIONS

### SUMMER BEFORE THE STORM?

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Relations between Tokyo and Washington grew more complex over the summer. The decision by President Donald Trump to meet North Korean leader Kim Jong Un marked a new phase of alliance coordination on the strategic challenge posed by Pyongyang. Trade relations also continued to create an undercurrent of discord. No consensus emerged on a free-trade agreement and the sense that the Trump administration was preparing to impose tariffs not only on steel and aluminum but also on the auto industry added to trepidation over the economic relationship. By the end of the summer, there were signs that the US and Japan were beginning to synchronize their approaches to the Indo-Pacific region as an economic cooperation agenda seems to be emerging. Meanwhile, politics in both capitols this fall make predictions about policy coordination difficult. Prime Minister Abe Shinzo faces his party's leadership election on Sept. 20, a contest he is likely to win but an opportunity for others in the party to push him on his priorities. In the US, midterm elections promise a referendum on the Trump administration and the increasing turmoil surrounding the White House.

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## The Singapore summit and its aftermath

Tokyo and Washington have worked hard to coordinate policies on North Korea, but the meeting between President Trump and Chairman Kim in Singapore slowed the pace of consultations as the United States attempted to persuade Pyongyang to give up its nuclear weapons. Prime Minister Abe has been consistent in supporting the Trump administration's "maximum pressure" strategy, yet Abe also saw the opportunity for diplomacy when he visited the Pyeongchang Olympics. The release of three US citizens detained by North Korea on May 9 suggested the possibility that Kim Jong Un might also be open to a more comprehensive dialogue. Secretary of State Mike Pompeo visited Tokyo to share the results of this early effort to shift to the diplomatic track with the North.



*Figure 1 Japanese Prime Minister Shinzo Abe, right, greeted Secretary of State Mike Pompeo in Tokyo. Photo: The Wall Street Journal*

Consultations between the US and Japan intensified prior to the Singapore summit. The prime minister and president spoke often by phone; Foreign Minister Kono Taro visited Washington twice, once in May and again in early June, to meet Secretary Pompeo in preparation. Prime Minister Abe returned to Washington too on June 7, and in the joint press conference after meeting Trump, both leaders went to great pains to demonstrate their shared sense of what outcomes should be prioritized in negotiations with Kim Jong Un. Outwardly at least, the Abe Cabinet supported the US and South Korean efforts to reduce tensions and negotiate denuclearization, and Abe suggested that he too might be willing to meet with Kim if the circumstances warranted it.

Press reports indicate that President Trump raised the prospect of a summit with Abe when he met Kim. The last summit between Japan and North Korea was in 2004 between Koizumi Junichiro and Kim Jong Il. In 2002, Koizumi traveled to Pyongyang, and the two leaders announced the Pyongyang Declaration, which included a North Korean moratorium on missile testing. Equally important, Kim acknowledged that his regime had abducted Japanese citizens in the 1970s and 1980s, and arranged for the repatriation of five who were still living in North Korea. Abe, as chief Cabinet secretary at the time, became an ardent advocate of deeper negotiations with Pyongyang on the return of the remaining 12 individuals the Japanese government believes resided in North Korea. In June, Japanese and North Korean diplomats were held an informal meeting in Ulan Bator during a regional conference; there was an apparent follow-up meeting in Vietnam in July.

Despite these early signs of progress, the Singapore summit produced some unsettling signs for Tokyo. Abe told reporters that he had thanked Trump for raising Japanese concerns over the abductees, but the president's description of US-ROK exercises as "war games" and "provocations" raised red flags. Defense Minister Onodera Itsunori noted, "we see U.S.-South Korean joint exercises and the U.S. military presence in South Korea as vital to security in East Asia. It is up to the U.S. and South Korea to decide their joint exercises. We have no intention of changing our joint drills with the U.S." Chief Cabinet Secretary Suga Yoshihide reiterated this, stating there would be no changes to US-Japan joint military drills.

Considerable effort was made to reassure US allies, however. Trilateral consultations with the foreign ministers of Japan and South Korea were held in Seoul on June 14, as well as a bilateral meeting between Pompeo and Kono. Similarly, Secretary of Defense Jim Mattis spoke over the phone on the same day with Minister Onodera on the results of the Trump-Kim meeting. Mattis traveled to the region at the end of the month, meeting Abe, Kono, and Onodera. Secretary Pompeo followed a week later for a trilateral discussion with South Korean Foreign Minister Kang Kyung-wha and Foreign Minister Kono. At their press conference, the three reaffirmed their commitment "towards the common goal of North Korea's complete, verifiable, and irreversible dismantlement of all

weapons of mass destruction and ballistic missiles of all ranges.”

Japan continued to monitor suspected illicit activity by North Korean ships and vessels from other nations in violation of UN Security Council Resolution 2375 over the summer. UNSCR 2375 prohibits UN member states from facilitating or engaging in ship-to-ship transfers of goods to or from North Korean-flagged vessels. The Maritime Self-Defense Force made several reports of suspected illicit activities by North Korean vessels, all designated by the UN in March 2018 as having violated earlier sanctions. From May through August, five ships were observed by the Maritime Self-Defense Force in activities with unidentified vessels suspected of violating UN Sanctions: the *Ji Song 6* (May 19), *Sam Jong 2* (May 24), *Yu Phoyong 5* (June 21-22), *An San 1* (June 29), and *Nam San 8* (July 31). On Sept. 7, the Ministry of Foreign Affairs announced that a number of countries would resume monitoring North Korean vessels for possible illicit activities. Patrols from Australia and New Zealand will be based at Kadena Air Base in Okinawa, under the UN Status of Forces Agreement, by the end of the month to patrol the East China Sea along with Japan’s maritime forces.

### **Distance remains on trade policy**

The summer also made for a stark study in contrast between Japanese and US strategies on trade. On the one hand, the Abe administration again proved itself to be one of the world’s strongest supporters of free trade. In July, Japan made significant progress on two landmark free-trade agreements: first by ratifying the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, or TPP-11) and then by signing the even larger Japan-European Union trade deal. The Trump administration, on the other hand, advocated a much more protectionist stance. The United States retained its newly implemented tariffs on steel and aluminum, escalated trade frictions with China, engaged in tough negotiations with Canada and Mexico over the North American Free Trade Agreement (NAFTA), and raised the possibility of imposing additional tariffs on automobile imports. A new round of US-Japan trade negotiations began in earnest in August, yet much work remains to close the distance between the two allies in their approaches to trade policy.

Japan’s summer of trade successes began with the official ratification of the CPTPP on July 6. The approval process for the CPTPP in the Diet was relatively smooth: after Japan and 10 other countries signed the agreement on March 8, the Abe administration quickly secured passage for the necessary bills to support ratification from the Lower House on May 18 and the Upper House on June 29. The CPTPP represents a major multilateral agreement, one that will cover 13 percent of global economic activity, and is expected to enter into force next year after it is ratified by at least six of the 11 partner nations. The deal still notably lacks the participation of the United States, however, as President Trump officially withdrew from the agreement soon after entering office in January 2017. While Trump hinted in the spring that he might consider rejoining the pact, he later said that he would do so only if the United States could secure a “substantially better” deal. In the meantime, several other countries have signaled interest in joining the CPTPP after it is enacted, including Thailand, Indonesia, South Korea, Colombia, and, most recently, the United Kingdom.

Following the CPTPP’s ratification, Prime Minister Abe signed an even larger trade deal with the European Union just 11 days later, on July 17. The agreement, praised as “the largest bilateral trade deal ever,” covers 600 million people and a third of the global economy. It will eliminate 99 percent of tariffs on Japanese goods to the EU and about 94 percent of tariffs on European exports to Japan (rising to 99 percent in the future). While neither Japanese nor EU officials mentioned Trump directly in signing the agreement, it was clear that both sides sought to demonstrate their joint commitment to free trade in the face of recent US protectionist policies. Donald Tusk, president of the European Council, said that the deal “sent a clear message” against protectionism. Prime Minister Abe similarly stated that “the EU and Japan showed an undeterred determination to lead the world as flag bearers for free trade.”

While Japan made progress on two major trade agreements, the United States continued to wage two battles on trade that it began in the first half of the year. The first battle concerned the administration’s policy of identifying certain foreign imports – in this case, steel and aluminum – as national security threats and then imposing tariffs under the rarely-used Section 232 of the Trade Expansion Act (1962).

Trump first announced tariffs on March 1, and while exemptions for some countries followed, Japan never received an exemption. The tariffs threaten nearly \$2 billion in Japanese exports, yet to date the Abe administration has not retaliated with its own tariffs, a path taken by others such as China, Canada, the EU, and Turkey. Instead, Japanese officials have tried to press their US counterparts through diplomatic channels to exempt Japan. Japan's preference for diplomacy over retaliation may change, however, if the United States moves forward with its new threat of a potential 25 percent tariff on automobiles. On May 23, the US Chamber of Commerce initiated a Section 232 investigation into the national security implications of automobile imports, which could similarly lead to a new round of tariffs. Automobiles represent a much larger industry for Japan than steel or aluminum, although Japan may be insulated somewhat from the pressure of automobile tariffs given that much of its manufacturing for the US market takes place within the United States.

The second trade battle for the Trump administration has been its clash with China since the spring over trade practices and intellectual property rights. The tit-for-tat exchange began when the United States threatened in April to apply tariffs on \$50 billion worth of Chinese goods, China responded in kind with its own list of tariffs for \$50 billion worth of U.S. goods, and then Trump threatened to impose tariffs on an additional \$100 billion worth of US imports from China. While things cooled down for a bit in May, both countries released revised lists of their \$50 billion tariffs on June 15, which started to come into effect on July 6. At Trump's direction, the US Trade Representative then announced on July 10 that they would consider further tariffs on \$200 billion worth of imports from China, and China then threatened an additional \$60 billion in tariffs in response. As the threats between the two sides heated up, the Trump administration announced that it would subsidize US farmers up to \$12 billion to help offset some of the retaliatory trade measures (including over the steel and aluminum tariffs). However, there are still no signs of a slowdown in US-China trade frictions, and the second phase of the initial \$50 billion tariffs for both countries came into effect on August 23.

The two starkly different approaches to trade policy thus set the stage for the much

anticipated first round of US-Japan trade and investment negotiations on Aug. 9-10 led by US Trade Representative Robert Lighthizer and Motegi Toshimitsu, Japan's minister in charge of economic revitalization. While exact details of the first meeting have been kept private, it is clear that the Japan side continues to push for the United States to return to multilateral efforts such as the CPTPP while the US side tries to advocate for Japan to instead pursue a bilateral free-trade agreement. While much distance remains on trade policy, the two sides agreed to "explore ways to fill the gap between their positions and promote trade between the United States and Japan" at their next round of consultations scheduled for sometime in September.

### Coordinating an Indo-Pacific approach

The Japanese government continues to encourage the Trump administration in its development of an Indo-Pacific strategy. The Abe administration has developed a "two continents, two oceans" approach that emphasizes the need for connectivity and development. Abe has worked with India's Prime Minister Narendra Modi as well as Australian Prime Minister Malcolm Turnbull to find common approaches to defining a "free, open, stable and prosperous Indo-Pacific region" built on a "rule-based order." Similarly, in his meeting with President Trump on June 7, Abe emphasized that US-Japan economic relations should be seen in this broader regional framework.



Figure 2 Prime Minister Shinzo Abe and Australian Prime Minister Malcolm Turnbull arrive at Narashino exercise field in Chiba Prefecture. Photo: Reuters

US security planners have been quick to embrace the Indo-Pacific terminology. On May 30,

Secretary of Defense Mattis announced that the US Pacific Command in Honolulu would be renamed as the US Indo-Pacific Command. On the same day, Adm. Phil Davidson, who will now be the first Indo-Pacific commander, relieved Adm. Harry Harris.

The United States and Japan continued their discussion on how to build opportunities for collaboration across the Indo-Pacific over the summer months. Meetings were held on a broad array of economic issues that would have implications for the region, such as cooperation in space, the Internet economy, and cyber security. In addition, officials from the United States, Japan, Australia, and India met on June 7 at an ASEAN meeting to discuss regional collaboration, suggesting a fledgling effort by the quad at developing a shared economic approach to the Indo-Pacific.

On July 30, Secretary of State Pompeo provided an initial outline of the new US economic approach to the Indo-Pacific in his address to the US Chamber of Commerce. Entitled “America’s Indo-Pacific Economic Vision,” Pompeo laid out three areas of priority focus for the United States in the Indo-Pacific: energy, infrastructure, and the digital economy. The Japan Bank for International Cooperation, US Overseas Private Investment Cooperation, and the Australian government also announced that they had found several infrastructure projects that would enhance trilateral cooperation within the Indo Pacific. In the announcement, the three said they would mobilize investment in “energy, transportation, tourism, and technology.”

Japan’s regional diplomacy was also significant over the summer of 2018. Following up on the successful Japan-ROK-China summit in May, Japanese and Chinese officials are discussing a likely visit by Prime Minister Abe to Beijing in October to commemorate the 40th anniversary of the bilateral Treaty of Peace and Friendship, which went into force on Oct. 23, 1978. The highly anticipated summit between Abe and Chinese President Xi Jinping will signal a new effort to stabilize ties between Tokyo and Beijing in an increasingly volatile era of global geopolitics. Equally important will be their approach to regional cooperation. How Abe and Xi will square the circle between the Belt and Road Initiative and the Free and Open Indo-Pacific Strategy could be a highlight of the visit.

The Japanese will also announce a new national defense plan by the end of this year. Accompanying the new plan will be a five-year military procurement plan that is likely to demonstrate the Abe Cabinet’s continued interest in expanding Japanese military capabilities. Ballistic missile defenses have already been marked for improvement, but maritime and air defenses are also expected to grow. The Trump administration is hoping that Tokyo will buy more US military hardware, and there is a growing expectation that Japan’s defense spending will increase markedly.

## Conclusion

Looking ahead to the fall, both the US and Japanese governments confront a busy political season. In Tokyo, the LDP leadership election on Sept. 20 is expected to produce a victory for the prime minister, and yet the race itself could open debate within the party over crucial policy reforms. Ishiba Shigeru, the most widely expected challenger to Abe, is himself a foreign policy and defense expert, and so we should expect his campaign to raise the issue of the US-Japan alliance as well as Abe’s proposal to revise Article 9 of the Japanese Constitution. While the Abe Cabinet may not be in danger, there is ample opportunity for high-profile debate on Japan’s foreign policy challenges. Next year’s Upper House election also looms large on the horizon for the LDP and its coalition partner, the Komeito.

In the United States, the stakes may be higher. The Trump administration has been under pressures due to the Justice Department’s Special Counsel Investigation on Russian interference with the 2016 presidential election. Several high-profile members of the Trump campaign have already been indicted on felony charges. The administration is also reeling from a new book that reveals discord within the White House and the publication of an anonymous op-ed in the *New York Times* claiming to be written by a “senior official in the Trump administration.”

US-Japan relations are likely to become more sensitive in coming months as critical questions on auto tariffs and on tensions with North Korea continue unresolved. The Abe-Trump relationship has thus far steadied the alliance, but it remains to be seen whether this will be enough to offset the policy discord that may be looming.

# CHRONOLOGY OF US-JAPAN RELATIONS

## MAY – AUGUST 2018

**May 9, 2018:** Prime Minister Abe Shinzo, South Korean President Moon Jae-in, and Chinese Premier Li Keqiang hold a [trilateral summit](#) in Tokyo.

**May 9, 2018:** President Donald Trump [announces](#) that three US citizens held in North Korea have been released and are on their way home.

**May 9, 2018:** Secretary of State Mike Pompeo visits Japan, where he gives [remarks](#) on the release of the three US citizens from North Korea at Yokota Air Base.

**May 10, 2018:** Prime Minister Abe and President Trump [speak by telephone](#) about the upcoming US-North Korea summit.

**May 15-16, 2018:** Acting Assistant Secretary for East Asian and Pacific Affairs Susan Thornton [visits](#) Japan to participate in the second annual *Wall Street Journal* CEO Council Conference and meets Japanese officials.

**May 23, 2018:** Minister for Foreign Affairs Kono Taro and Secretary of State Pompeo [meet](#) in Washington, D.C. to discuss the upcoming US-North Korea summit.

**May 26, 2018:** Fourth Inter-Korean summit held between South Korean President Moon and North Korean leader Kim Jong-un.

**May 28, 2018:** Prime Minister Abe and President Trump [speak by telephone](#) about the inter-Korean summit and upcoming US-North Korea summit.

**May 30, 2018:** Secretary of Defense Jim Mattis announces US Pacific Command's name will be changed to [US Indo-Pacific Command](#).

**June 6, 2018:** Minister for Foreign Affairs Kono and Secretary of State Pompeo [meet](#) in Washington, D.C. to discuss the upcoming US-North Korea summit. [Press Conference](#).

**June 7, 2018:** Prime Minister Abe and President Trump hold a [summit](#) in Washington, DC.

**June 7, 2018:** Senior officials from the US, Japan, Australia, and India [meet](#) in Singapore on the sidelines of the ASEAN-centered Senior Officials Meeting.

**June 8-9, 2018:** President Trump and Prime Minister Abe attend [G7 Summit](#) in Charlevoix, Canada.

**June 11, 2018:** Prime Minister Abe and President Trump [speak by telephone](#) about the US-North Korea summit.

**June 12, 2018:** President Trump and North Korean leader Kim Jong Un meet in Singapore.

**June 12, 2018:** Prime Minister Abe and President Trump [speak by telephone](#) about the outcomes of the US-North Korea summit.

**June 14, 2018:** Secretary of State Pompeo, Minister of Foreign Affairs Kono, and South Korean Minister of Foreign Affairs Kang Kyung-wha hold a [trilateral meeting](#) in Seoul.

**June 14, 2018:** Secretary of State Pompeo and Minister of Foreign Affairs Kono [meet](#) in Seoul.

**June 14, 2018:** Secretary of Defense Mattis [speaks by telephone](#) with Japanese Defense Minister Onodera Itsunori about the results of the US-North Korea summit.

**June 19, 2018:** Officials from Japan and the US [hold consultations on U.S. sanctions on Iran](#) in Tokyo. The US delegation was led by Christopher Ford, assistant secretary of State for international security and nonproliferation, while the Japanese delegation was led by Hiroshi Oka, director-general/assistant minister for foreign affairs for Middle Eastern and African affairs.

**June 25, 2018:** [Second US-Japan Pacific Dialogue](#) held at Ministry of Foreign Affairs in Tokyo.

**June 29, 2018:** Prime Minister Abe [meets](#) Defense Secretary James Mattis in Tokyo.

**June 29, 2018:** Defense Secretary Mattis [meets](#) Foreign Minister Kono in Tokyo.

**July 6, 2018:** Japan [ratifies](#) Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

**July 8, 2018:** Prime Minister Abe [meets](#) Secretary of State Pompeo in Tokyo.

**July 8, 2018:** Foreign Minister Kono and Secretary of State Pompeo [meet](#) in Tokyo.

**July 8, 2018:** Foreign Minister Kono, Secretary of State Pompeo, and South Korean Foreign Minister Kang hold a [trilateral meeting](#) in Tokyo.

**July 20, 2018:** [Fifth US-Japan Comprehensive Dialogue on Space](#) is held in Tokyo.

**July 23-24, 2018:** [Ninth US-Japan Policy Cooperation Dialogue on the Internet Economy](#) is held in Washington, DC.

**July 26, 2018:** [Sixth US-Japan Cyber Dialogue](#) is held in Washington, DC.

**July 27, 2018:** US hosts [trilateral cyber experts meeting](#) with officials from Japan and South Korea.

**July 30, 2018:** Secretary of State Pompeo gives a speech during the Indo-Pacific Business Forum at the US Chamber of Commerce on “[America’s Indo-Pacific Economic Vision](#).”

**July 31, 2018:** US, Japan, and Australia announce agreement to [invest in infrastructure projects](#) in the Indo-Pacific.

**Aug. 4, 2018:** Secretary of State Pompeo, Foreign Minister Kono, and Australian Foreign Minister Julie Bishop meet in Singapore for the [eighth ministerial meeting of the Trilateral Strategic Dialogue](#).

**Aug. 4, 2018:** Secretary of State Pompeo and Foreign Minister Kono [meet](#) in Singapore to discuss North Korea policy.

**Aug. 9, 2018:** Economy Minister Motegi Toshimitsu and US Trade Representative Robert Lighthizer hold [trade talks](#) in Washington, DC.

**Aug. 22, 2018:** President Trump and Prime Minister Abe [speak by phone](#) about North Korea.

**Aug. 24, 2018:** Secretary of State Pompeo and Minister of Foreign Affairs Kono [speak by telephone](#) on North Korea.

**Aug. 26, 2018:** Assistant Secretary of State for Economic and Business Affairs Manisha Singh [travels](#) to Tokyo to discuss the administration’s approach to trade and economic growth in the region.

